

ORIGINAL



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BEFORE THE ARIZONA CORPORATION COMMISSION

306

COMMISSIONERS

2007 MAR 13 P 3:35

MIKE GLEASON - Chairman
WILLIAM A. MUNDELL
JEFF HATCH-MILLER
KRISTIN K. MAYES
GARY PIERCE

AZ CORP COMMISSION
DOCUMENT CONTROL

IN THE MATTER OF THE APPLICATION OF
AVRA WATER CO-OP, INC. FOR A RATE
INCREASE.

DOCKET NO. W-02126A-06-0234

**STAFF'S NOTICE OF FILING
LATE-FILED EXHIBIT**

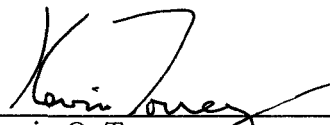
Utilities Division (Staff) of the Arizona Corporation Commission hereby files its Late-Filed Exhibit S-1 in the above-referenced matter.

Staff previously filed the direct testimony of Charles Mylousen. The company filed its rebuttal testimony, and staff filed surrebuttal. Thereafter the company's expert performed a proof of revenue and discovered an error in staff's calculation. The parties discussed the error and the company expressed disagreement with the handling of the loan replacement reserve account. After this discussion, Mr. Mylousen reviewed his figures and made the appropriate changes to his rate design. The changes in the rate design have prompted staff to change its position regarding the reserve account as well.

This exhibit reflects both Mr. Mylousen's new rate design and staff's position regarding the reserve account.

RESPECTFULLY SUBMITTED this 13th day of March, 2007.

By


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Arizona Corporation Commission
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1 Original and 13 copies of the foregoing
filed this 13th day of March 2007, with:

2 Docket Control

3 Arizona Corporation Commission

1200 West Washington

4 Phoenix, Arizona 85007

5 Copy of the foregoing mailed this
13th day of March 2007, to:

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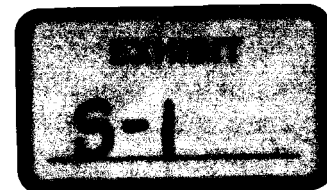


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REVENUE REQUIREMENT

LINE NO.	DESCRIPTION	(A) CO-OP ORIGINAL COST	(B) CO-OP FAIR VALUE	(C) STAFF ORIGINAL COST	(D) STAFF FAIR VALUE
1	Adjusted Rate Base	\$ 7,011,440	\$ 7,011,440	\$ 2,417,645	\$ 2,417,645
2	Adjusted Operating Income (Loss)	\$ (9,893)	\$ (9,893)	\$ 87,501	\$ 87,501
3	Current Rate of Return (L2 / L1)	-0.14%	-0.14%	3.62%	3.62%
4	Required Operating Margin	19.00%	19.00%	23.33%	23.33%
5	Required Operating Margin	\$ 318,323	\$ 318,323	\$ 383,401	\$ 383,401
6	Operating Income Deficiency (L5 - L2)	\$ 328,217	\$ 328,217	\$ 295,900	\$ 295,900
7	Gross Revenue Conversion Factor	1.0000	1.0000	1.0000	1.0000
8	Required Revenue Increase (L7 * L6)	\$ 328,217	\$ 328,217	\$ 295,900	\$ 295,900
9	Adjusted Test Year Revenue	\$ 1,347,170	\$ 1,347,170	\$ 1,347,170	\$ 1,347,170
10	Proposed Annual Revenue (L8 + L9)	\$ 1,675,387	\$ 1,675,387	\$ 1,643,070	\$ 1,643,070
11	Required Increase in Revenue (%)	24.36%	24.36%	21.96%	21.96%

References:

Column (A): Co-op Schedule B-1

Column (B): Co-op Schedule B-1

Column (C): Staff Schedules CRM-3, CRM-13

Column (D): Staff Schedules CRM-3, CRM-13

GROSS REVENUE CONVERSION FACTOR

LINE NO.	DESCRIPTION	(A)	(B)	(C)	(D)
<u>Calculation of Gross Revenue Conversion Factor:</u>					
1	Revenue	100.0000%			
2	Uncollectible Factor (Line 11)	0.0000%			
3	Revenues (L1 - L2)	100.0000%			
4	Combined Federal and State Tax Rate (Line 17)	0.0000%			
5	Subtotal (L3 - L4)	100.0000%			
6	Revenue Conversion Factor (L1 / L5)	1.000000			
<u>Calculation of Uncollectible Factor:</u>					
7	Unity	100.0000%			
8	Combined Federal and State Tax Rate (Line 17)	0.0000%			
9	One Minus Combined Income Tax Rate (L7 - L8)	100.0000%			
10	Uncollectible Rate	0.0000%			
11	Uncollectible Factor (L9 * L10)	0.0000%			
<u>Calculation of Effective Tax Rate:</u>					
12	Operating Income Before Taxes (Arizona Taxable Income)	100.0000%			
13	Arizona State Income Tax Rate	0.0000%			
14	Federal Taxable Income (L12 - L13)	100.0000%			
15	Applicable Federal Income Tax Rate (Line 44)	0.0000%			
16	Effective Federal Income Tax Rate (L14 x L15)	0.0000%			
17	Combined Federal and State Income Tax Rate (L13 + L16)	0.0000%			
18	Required Operating Income (Schedule CRM-1, Line 5)	\$ 383,401			
19	Adjusted Test Year Operating Income (Loss) (Schedule CRM-14, Line-43)	\$ 87,501			
20	Required Increase in Operating Income (L18 - L19)		\$ 295,900		
21	Income Taxes on Recommended Revenue (Col. (D), L43)	\$ -			
22	Income Taxes on Test Year Revenue (Col. (B), L43)	\$ -			
23	Required Increase in Revenue to Provide for Income Taxes (L21 - L22)		\$ -		
24	Recommended Revenue Requirement (Schedule CRM-1, Line 10)	\$ 1,643,070			
25	Uncollectible Rate (Line 10)	0.0000%			
26	Uncollectible Expense on Recommended Revenue (L24 * L25)	\$ -			
27	Adjusted Test Year Uncollectible Expense	\$ -			
28	Required Increase in Revenue to Provide for Uncollectible Exp. (L26 - L27)		\$ -		
29	Total Required Increase in Revenue (L20 + L23 + L28)		\$ 295,900		
<u>Calculation of Income Tax:</u>					
30	Revenue (Schedule CRM-14 Line -2)	\$ 1,347,170	\$ 295,900	\$ 1,643,070	
31	Operating Expenses Excluding Income Taxes	\$ 1,259,669		\$ 1,259,669	
32	Synchronized Interest (L47)	\$ -		\$ -	
33	Arizona Taxable Income (L30 - L31 - L32)	\$ 87,501		\$ 383,401	
34	Arizona State Income Tax Rate	0.0000%		0.0000%	
35	Arizona Income Tax (L33 x L34)	\$ -	\$ -	\$ -	
36	Federal Taxable Income (L33 - L35)	\$ 87,501	\$ 383,401		
37	Total Federal Income Tax	\$ -	\$ -	\$ -	
38	Combined Federal and State Income Tax (L35 + L42)	\$ -	\$ -	\$ -	
39	Applicable Federal Income Tax Rate [Col. (D), L42 - Col. (B), L42] / [Col. (C), L36 - Col. (A), L36]				0.0000%
<u>Calculation of Interest Synchronization:</u>					
40	Rate Base (Schedule CRM-3, Col. (C), Line 12)	\$ 2,417,645			
41	Weighted Average Cost of Debt	0.00%			
42	Synchronized Interest (L45 X L46)	\$ -			

AVRA WATER CO-OP, INC.
Docket No. W-2126A-06-0234
Test Year Ended August 31, 2005

Late Filed Schedule CRM-2

PURPOSELY LEFT BLANK

RATE BASE - ORIGINAL COST

LINE NO.	(A) CO-OP AS FILED	(B) STAFF ADJUSTMENTS	REF	(C) STAFF AS ADJUSTED
1 Plant in Service	\$ 13,072,425	\$ (5,451,632)	1,2,3,4,5	\$ 7,620,793
2 Less: Accumulated Depreciation	3,062,037	405,775	6	3,467,812
3 Net Plant in Service	<u>\$ 10,010,388</u>	<u>\$ (5,857,407)</u>		<u>\$ 4,152,981</u>
<u>LESS:</u>				
4 Net CIAC	2,309,080	(1,365,750)	7	943,330
5 Advances in Aid of Construction (AIAC)	798,549	-		798,549
6 Customer Deposits	45,636	-		45,636
<u>ADD:</u>				
7 Unamortized Finance Charges	-	-		-
8 Deferred Tax Assets	-	-		-
9 Materials & Supplies Inventories	28,755	-		28,755
10 Prepayments	23,423	-		23,423
11 Working Capital	102,138	(102,138)	8	-
12 Original Cost Rate Base	<u>\$ 7,011,440</u>	<u>\$ (4,593,795)</u>		<u>\$ 2,417,645</u>

References:

Column (A): Co-op Schedule B-1 (TAB RB~ADJ)

Column (B): Schedule CRM-4

Column (C): Column (A) + Column (B)

LINE NO.

NO.	DESCRIPTION
ACCT.	
Test Real Ended August 31, 2003	

ACCT.
Test Year Ended August 31, 2003

$[A]$

[9]

5

E

[E]

III

PLANT IN SERVICE:

[illegible]

ADJ.#	References:
1	CRN-5
2	CRN-6
3	CRN-7
4	CRN-8
5	CRN-9
6	CRN-10
7	CRN-11
8	

ORIGINAL COST RATE BASE ADJUSTMENT #1 - LAND AND LAND RIGHTS

Line No.	<u>Land and Land Rights</u>	
1	Co-op post-test year land and land rights proforma adjustment	\$ 93,669
2	Staff recommended post-test year proforma	<u>-</u>
3	Total Staff recommended increase/(decrease) to Land & Land Rights	<u>\$ (93,669)</u>

ORIGINAL COST RATE BASE ADJUSTMENT #2 - COLLECTING AND IMPOUNDING RES.

Line

Line

No.

Collecting and Impounding Res.

1	Co-op post-test year collecting and impounding res. proforma adjustment	\$ 325,242
2	Staff recommended post-test year proforma	<u>-</u>
3	Total Staff recommended increase/(decrease) to collecting and impounding res.	<u>\$ (325,242)</u>

ORIGINAL COST RATE BASE ADJUSTMENTS #3 - WELLS AND SPRINGS

<u>Line</u> <u>No.</u>	<u>Wells and Springs</u>	
1	Co-op post test year wells and springs proforma adjustment	\$ 1,436,243
2	Staff recommended post-test year proforma	<u>-</u>
3	Total Staff recommended increase/(decrease) wells and springs	<u>\$ (1,436,243)</u>

ORIGINAL COST RATE BASE ADJUSTMENTS #4 - TRANSMISSION AND DISTRIBUTION MAINS

Line No.	Transmission and Distribution Mains		
1	Co-op post-test year transmission and distribution mains proforma adjustment	\$	3,290,000
2	Staff recommended post-test year proforma		<u>-</u>
3	Total Staff recommended increase/(decrease) to transmission and distribution mains	\$	<u><u>(3,290,000)</u></u>

ORIGINAL COST RATE BASE ADJUSTMENTS #5 - ELECTRIC PUMPING EQUIPMENT

Line No.	Electric Pumping Equipment		
1	Co-op post-test year electric pumping equipment proforma adjustment	\$	306,481
2	Staff recommended pos- test year proforma		-
3	Total Staff recommended increase/(decrease) to electric pumping equipment	\$	<u>(306,481)</u>

ORIGINAL COST RATE BASE ADJUSTMENTS #6 - ACCUMULATED DEPRECIATION

Line No.	<u>Accumulated Depreciation</u>	
1	Co-op post-test year accumulated depreciation proforma adjustment	\$ 405,775
2	Staff recommended post-test year proforma reversal	<u>-</u>
3	To reverse removal of retired plant not yet retired	
	Total Staff recommended increase/(decrease) to accumulated depreciation	<u>\$ 405,775</u>

ORIGINAL COST RATE BASE ADJUSTMENTS #7 - CONTRIBUTIONS IN AID OF CONSTRUCTION

Line No.	<u>Contributions in Aid of Construction</u>	
1	Co-op post- test year contributions in aid of construction proforma adjustment	\$ 1,365,750
2	Staff recommended post-test year proforma	<u>-</u>
3	Total Staff recommended increase/(decrease) to contributions in aid of construction	<u>\$ (1,365,750)</u>

ORIGINAL COST RATE BASE ADJUSTMENTS #8 - (CASH) WORKING CAPITAL

Line No.	<u>Cash Working Capital</u>	
1	Co-op post-test year working capital proforma adjustment	\$ 102,138
2	Staff recommended post-test year proforma	<u>-</u>
3	Total Staff recommended increase/(decrease) to cash working capital	<u><u>\$(102,138)</u></u>

OPERATING INCOME STATEMENT - ADJUSTED TEST YEAR AND STAFF RECOMMENDED

LINE NO.	DESCRIPTION	[A] CO-OP ADJUSTED TEST YEAR AS FILED	[B] STAFF TEST YEAR ADJUSTMENTS	[C] STAFF TEST YEAR AS ADJUSTED	[D] STAFF PROPOSED CHANGES	[E] STAFF RECOMMENDED
1	REVENUES:					
2	Metered Water Sales	\$ 1,287,685	\$ -	\$ 1,287,685	\$ 295,900	\$ 1,583,585
3	Water Sales - Unmetered	-	-	-	-	-
4	Other Operating Revenue	59,485	-	59,485	-	59,485
5	Total Operating Revenues	\$ 1,347,170	\$ -	\$ 1,347,170	\$ 295,900	\$ 1,643,070
6	OPERATING EXPENSES:					
7	Salaries and Wages	\$ 349,611	\$ -	\$ 349,611	\$ -	\$ 349,611
8	Employee Pensions and Benefits	62,091	-	62,091	-	62,091
9	Purchased Water	-	-	-	-	-
10	Purchased Power	158,515	-	158,515	-	158,515
11	Chemicals	4,529	-	4,529	-	4,529
12	Materials and Supplies	28,442	-	28,442	-	28,442
13	Office Supplies and Expenses	-	-	-	-	-
14	Contractual Services - Engineering	5,602	-	5,602	-	5,602
15	Contractual Services - Accounting	36,017	-	36,017	-	36,017
16	Contractual Services - Legal	13,246	-	13,246	-	13,246
17	Contractual Services - Other	44,697	-	44,697	-	44,697
18	Water Testing	8,609	8,821	17,430	-	17,430
19	Rents	11,864	-	11,864	-	11,864
20	Transportation Expense	67,841	-	67,841	-	67,841
21	Insurance - Vehicle	7,050	-	7,050	-	7,050
22	Insurance - General Liability	2,169	-	2,169	-	2,169
23	Insurance - Workers Comp	3,648	-	3,648	-	3,648
24	Insurance - Other	6,017	-	6,017	-	6,017
25	Regulatory Commission Expense - Rate Case	25,000	-	25,000	-	25,000
26	Advertising Expense	2,447	-	2,447	-	2,447
27	Water Resource Conservation	2,340	-	2,340	-	2,340
28	Bad Debt Expense	3,782	-	3,782	-	3,782
29	Miscellaneous Expense	48,440	-	48,440	-	48,440
30	Depreciation Expense	328,927	(105,406)	223,521	-	223,521
31	Taxes Other than Income	30,823	-	30,823	-	30,823
32	Property Taxes	105,356	(809)	104,547	-	104,547
33	Income Tax	-	-	-	-	-
34	Total Operating Expenses	\$ 1,357,063	\$ (97,394)	\$ 1,259,669	\$ -	\$ 1,259,669
35	Operating Income (Loss)	\$ (9,893)	\$ 97,394	\$ 87,501	\$ 295,900	\$ 383,401

References:

Column (A): Co-op Schedule C-1 (TAB IS-ADJ)
Column (B): Schedule CRM-14
Column (C): Column (A) + Column (B)
Column (D): Schedules CRM-1 and CRM-2
Column (E): Column (C) + Column (D)

SUMMARY OF OPERATING INCOME STATEMENT ADJUSTMENTS - TEST YEAR

LINE NO.	DESCRIPTION	[A] CO-OP AS FILED	[B] Water Testing ADJ #1	[C] Depr. Expense ADJ #2	[D] Property Tax ADJ #3	[E] STAFF ADJUSTED
1	REVENUES:					
2	Metered Water Sales	\$ 1,287,685	\$ -	\$ -	\$ -	\$ 1,287,685
3	Water Sales - Unmetered	-	-	-	-	-
4	Other Operating Revenue	59,485	-	-	-	59,485
5	Total Operating Revenues	\$ 1,347,170	\$ -	\$ -	\$ -	\$ 1,347,170
6	OPERATING EXPENSES:					
7	Salaries and Wages	\$ 349,611	\$ -	\$ -	\$ -	\$ 349,611
8	Employee Pensions and Benefits	62,091	-	-	-	62,091
9	Purchased Water	-	-	-	-	-
10	Purchased Power	158,515	-	-	-	158,515
11	Chemicals	4,529	-	-	-	4,529
12	Materials and Supplies	28,442	-	-	-	28,442
13	Office Supplies and Expenses	-	-	-	-	-
14	Contractual Services - Engineering	5,602	-	-	-	5,602
15	Contractual Services - Accounting	36,017	-	-	-	36,017
16	Contractual Services - Legal	13,246	-	-	-	13,246
17	Contractual Services - Other	44,697	-	-	-	44,697
18	Water Testing	8,609	8,821	-	-	17,430
19	Rents	11,864	-	-	-	11,864
20	Transportation Expense	67,841	-	-	-	67,841
21	Insurance - Vehicle	7,050	-	-	-	7,050
22	Insurance - General Liability	2,169	-	-	-	2,169
23	Insurance - Workers Comp	3,648	-	-	-	3,648
24	Insurance - Other	6,017	-	-	-	6,017
25	Regulatory Commission Expense - Rate Case	25,000	-	-	-	25,000
26	Advertising Expense	2,447	-	-	-	2,447
27	Water Resource Conservation	2,340	-	-	-	2,340
28	Bad Debt Expense	3,782	-	-	-	3,782
29	Miscellaneous Expense	48,440	-	-	-	48,440
30	Depreciation Expense	328,927	-	(105,406)	-	223,521
31	Taxes Other than Income	30,823	-	-	-	30,823
32	Property Taxes	105,356	-	-	(809)	104,547
33	Income Tax	-	-	-	-	-
34	Total Operating Expenses	\$ 1,357,063	\$ 8,821	\$ (105,406)	\$ (809)	1,259,669
35	Operating Income (Loss)	\$ (9,893)	\$ (8,821)	\$ 105,406	\$ 809	\$ 87,501

ADJ #	References:
1	Water Testing Expense CRM-15
2	Depreciation Expense CRM-16
3	Property Taxes CRM-17

OPERATING INCOME ADJUSTMENT #1 - WATER TESTING

LINE NO.	<u>Water Testing Expense</u>	
1	Amount claimed in rate application	\$ 8,609
2	Amount recommended by Staff engineer	(17,430)
3	Increase/ (decrease) to water testing expense	<u>\$ 8,821</u>

OPERATING INCOME ADJUSTMENT #2 - DEPRECIATION EXPENSE

<u>LINE NO.</u>	<u>Depreciation Expenses</u>		
1	Amount claimed in rate application	\$	328,927
2	Amount recommended by Staff		223,521
3	Increase/ (decrease) to depreciation expense	\$	<u>(105,406)</u>

OPERATING INCOME ADJUSTMENT #3 - PROPERTY TAXES

LINE

LINE NO.	Property Tax Calculation	[A]		(B)	
		CO-OP AS FILED		STAFF AS ADJUSTED	
1	Staff Adjusted Test Year Revenues - Ty Adj. 8/31/2005	\$	1,347,170	\$	1,347,170
2	Weight Factor				2
3	Subtotal (Line 1 * Line 2)				2,694,340
4	Staff Recommended Revenue, Per Schedule CRM-1				1,643,070
5	Subtotal (Line 4 + Line 5)				4,337,410
6	Number of Years				3
7	Three Year Average (Line 5 / Line 6)				1,445,803
8	Department of Revenue Mutilplier				2
9	Revenue Base Value (Line 7 * Line 8)				2,891,607
10	Plus: 10% of CWIP				-
11	Less: Net Book Value of Licensed Vehicles				113,217
12	Full Cash Value (Line 9 + Line 10 - Line 11)				2,778,390
13	Assessment Ratio - Average of 2006 and 2007 Rate				0.2350
14	Assessment Value (Line 12 * Line 13)				652,922
15	Composite Property Tax Rate (Per Company Schedule C-2, Page 10)				15.9722000%
16	Staff Proposed Property Tax Expense (Line 14 * Line 15) (plus \$261 tax on parcels)	\$			104,547
17	Company Proposed Property Tax				105,356
18	Increase/(Decrease) to Property Tax Expense	\$			(809)

RATE DESIGN

Monthly Usage Charge	Present Rates	Co-op Proposed Rates	Staff Recommended Rates
5/8 x 3/4" Meter	\$ 22.90	\$ 28.29	\$ 28.29
3/4" Meter	22.90	42.44	\$ 42.44
1" Meter	57.25	70.73	70.73
1½" Meter	114.50	141.46	141.45
2" Meter	183.20	226.34	226.32
3" Meter	366.40	452.69	452.64
4" Meter	572.50	707.32	707.25
6" Meter	1,145.00	1,414.65	1,414.50
Commodity Rates			
All meter sizes			
Tier 1 zero gallon to 10,000 gallons	\$ 1.73	n/a	n/a
Tier 2 from 10,001 gallons to 18,000 gallons	1.87	n/a	n/a
Tier 3 All gallons over 18,000 gallons	1.94	n/a	n/a
5/8 x3/4 Inch Meter			
Tier 1 zero gallon to 8,500 gallons	n/a	2.20	n/a
Tier 2 8,501 gallons to 16,500 gallons	n/a	2.35	n/a
Tier 3 All gallons over 16,500 gallons	n/a	2.50	n/a
Tier 1 zero gallon to 6,000 gallons	n/a	n/a	1.50
Tier 2 6,001 gallons to 12,000 gallons	n/a	n/a	2.35
Tier 3 All gallons over 12,000 gallons	n/a	n/a	3.55
3/4 Inch Meter			
Tier 1 zero gallon to 8,500 gallons	n/a	\$ 2.20	n/a
Tier 2 8,501 gallons to 16,500 gallons	n/a	2.35	n/a
Tier 3 All gallons over 16,500 gallons	n/a	2.50	n/a
Tier 1 zero gallon to 6,000 gallons	n/a	n/a	1.50
Tier 2 6,001 gallons to 12,000 gallons	n/a	n/a	2.35
Tier 3 All gallons over 12,000 gallons	n/a	n/a	3.55
1 Inch Meter			
Tier 1 zero gallon to 20,000 gallons	n/a	\$ 2.20	n/a
Tier 2 20,001 gallons to 40,000 gallons	n/a	2.35	n/a
Tier 3 All gallons over 40,000 gallons	n/a	2.50	n/a
Tier 1 zero gallon to 15,000 gallons	n/a	n/a	2.35
Tier 2 All gallons over 15,000 gallons	n/a	n/a	3.55
1.5 Inch Meter			
Tier 1 zero gallon to 20,000 gallons	n/a	\$ 2.20	n/a
Tier 2 20,001 gallons to 40,000 gallons	n/a	2.35	n/a
Tier 3 All gallons over 40,000 gallons	n/a	2.50	n/a
Tier 1 zero gallon to 50,000 gallons	n/a	n/a	2.35
Tier 2 All gallons over 50,000 gallons	n/a	n/a	3.55
2 Inch Meter			
Tier 1 zero gallon to 20,000 gallons	n/a	\$ 2.20	n/a
Tier 2 20,001 gallons to 40,000 gallons	n/a	2.35	n/a
Tier 3 All gallons over 40,000 gallons	n/a	2.50	n/a
Tier 1 zero gallon to 80,000 gallons	n/a	n/a	2.35
Tier 2 All gallons over 80,000 gallons	n/a	n/a	3.55
3 Inch Meter			
Tier 1 zero gallon to 20,000 gallons	n/a	\$ 2.20	n/a
Tier 2 20,001 gallons to 40,000 gallons	n/a	2.35	n/a
Tier 3 All gallons over 40,000 gallons	n/a	2.50	n/a
Tier 1 zero gallon to 150,000 gallons	n/a	n/a	2.35
Tier 2 All gallons over 150,000 gallons	n/a	n/a	3.55

RATE DESIGN

4 Inch Meter			
Tier 1 zero gallon to 20,000 gallons	n/a	\$ 2.20	n/a
Tier 2 20,001 gallons to 40,000 gallons	n/a	2.35	n/a
Tier 3 All gallons over 40,000 gallons	n/a	2.50	n/a
Tier 1 zero gallon to 250,000 gallons	n/a	n/a	2.35
Tier 2 All gallons over 250,000 gallons	n/a	n/a	3.55
6 Inch Meter			
Tier 1 zero gallon to 20,000 gallons	n/a	\$ 2.20	n/a
Tier 2 20,001 gallons to 40,000 gallons	n/a	2.35	n/a
Tier 3 All gallons over 40,000 gallons	n/a	2.50	n/a
Tier 1 zero gallon to 500,000 gallons	n/a	n/a	2.35
Tier 2 All gallons over 500,000 gallons	n/a	n/a	3.55
Construction, Bulk, Standpipe per 1,000 gallons	n/a	4.00	3.55
Service Line and Meter Installation Charges			
5/8" x 3/4" Meter	\$ 410.00	\$ 410.00	\$ 410.00
3/4" Meter	455.00	455.00	455.00
1" Meter	520.00	520.00	520.00
1 1/2" Meter	740.00	740.00	740.00
2" Turbine Meter	1,235.00	1,235.00	1,235.00
2" Compound Meter	1,800.00	1,800.00	1,800.00
3" Turbine Meter	1,705.00	1,705.00	1,705.00
3" Compound Meter	2,340.00	2,340.00	2,340.00
4" Turbine Meter	2,700.00	2,700.00	2,700.00
4" Compound Meter	3,405.00	3,405.00	3,405.00
6" Turbine Meter	5,035.00	5,035.00	5,035.00
6" Compound Meter	6,510.00	6,510.00	6,510.00
Service Charges			
Establishment	\$ 25.00	\$ 25.00	\$ 25.00
Establishment (After Hours)	50.00	50.00	50.00
Reconnection (Delinquent)	50.00	50.00	50.00
Reconnection (After Hours)	75.00	75.00	75.00
Disconnection (Requested)	n/a	20.00	20.00
Meter Test (Calibration or leak dection)	50.00	50.00	50.00
Meter Test- Remove Meter & Test (Customer requested)	35.00	35.00	35.00
Meter Test (if Correct)	-	-	-
Deposit Requirement(Residential/ Commercial)	(a)	(a)	(a)
Deposit Interest (a)	6.00%	6.00%	6.00%
Re-Establishment (Within 12 Months)	(b)	(b)	(b)
NSF Check	25.00	25.00	25.00
Deferred Payment Per Month	1.50%	1.50%	1.50%
Meter Re-Read (If Correct)	-	-	-
Charge of Moving Customer Meter- Customer Request	Cost	Cost	Cost
Late Charge per Month	(C)	(C)	(C)
Hourly Charge for After Hours Service	n/a	Cost	Cost
Water Line Crossing Paved Road	n/a	(d)	(d)
charges for Emergency Service Not Caused by Company	n/a	Cost	Cost
Line extension Agreement	Cost	Cost	Cost
Sprinkler Rate	n/a	(e)	(e)
Master Metering	(f)	(g)	(g)
Meter Installation tampering (Cutting Lock or Angle Meter Stops	n/a	Cost	Cost
Offsite Hook-Up Fee			
Meter Size			
5/8 x 3/4 Inch	\$ 1,875	\$ 1,875	\$ 1,875
3/4 Inch	2,250	2,250	2,250
1 Inch	3,750	3,750	3,750
1.5 Inch	7,500	7,500	7,500
2 Inch	12,000	12,000	12,000
3 Inch	22,500	22,500	22,500
4 Inch	37,500	37,500	37,500
6 Inch	75,000	75,000	75,000

RATE DESIGN

- (a) Per Rule R14-2-403B
- (b) Per Rule R14-2-403D. Monthly Minimum times the number of months off the system.
- (c) Greater of \$5.00 or 1.5 % of unpaid balance
- (d) Customer Expense to be done via contractor with no responsibility to the Water Co-op
- (e) 1% of Monthly Minimum for a comparable Meter Connection, but no less than \$7.00 per month
- (f) Multiple Dwelling on one meter. All dwellings, beyond direct connection which cross property lines, will be charged 100% of monthly minimum, and/or are required to have their own meter. If meter serves more than one dwelling property, second connection and each additional connection each pay 50% of monthly minimum for 5/8 inch meter. Responsibility for payment remains with master meter customer.
- (g) Multiple Dwellings on one meter. All dwellings, beyond direct connection which cross property lines, will be charged 100% of monthly minimum, and/or are required to have their own meter. If meter serves more than one dwelling on property, second and each additional connection each pay 50% of monthly minimum for the size meter. Responsibility for payment remains with master meter customer.

Typical Bill Analysis
General Service 5/8 x 3/4-Inch Meter

Co-op Proposed	Gallons	Present Rates	Proposed Rates	Dollar Increase	Percent Increase
Average Usage	9,825	\$ 39.90	\$ 50.10	\$ 10.21	25.58%
Median Usage	6,500	34.15	42.59	\$ 8.45	24.73%
Staff Recommended					
Average Usage	9,825	\$ 39.90	\$ 60.42	\$ 20.53	51.45%
Median Usage	6,500	34.15	52.61	\$ 18.47	54.08%

Present & Proposed Rates (Without Taxes)
General Service 5/8 x 3/4-Inch Meter

Gallons	Co-op Present Rates	Co-op Proposed Rates	% Increase	Staff Recommended Rates	% Increase
Consumption	Rates	Rates	Increase	Rates	Increase
-	\$ 22.90	\$ 28.29	23.54%	\$ 42.44	85.31%
1,000	24.63	30.49	23.79%	43.94	78.38%
2,000	26.36	32.69	24.01%	45.44	72.36%
3,000	28.09	34.89	24.21%	46.94	67.09%
4,000	29.82	37.09	24.38%	48.44	62.42%
5,000	31.55	39.29	24.53%	49.94	58.27%
6,000	33.28	41.49	24.67%	51.44	54.55%
7,000	35.01	43.69	24.79%	53.79	53.63%
8,000	36.74	45.89	24.90%	56.14	52.79%
9,000	38.47	48.17	25.20%	58.49	52.03%
9,825	39.90	50.10	25.58%	60.42	51.45%
10,000	40.20	50.52	25.66%	60.84	51.33%
11,000	42.07	52.87	25.66%	63.19	50.19%
12,000	43.94	55.22	25.66%	65.54	49.15%
13,000	45.81	57.57	25.66%	69.09	50.81%
14,000	47.68	59.92	25.66%	72.64	52.34%
15,000	49.55	62.27	25.66%	76.19	53.75%
16,000	51.42	64.62	25.66%	79.74	55.07%
17,000	53.29	67.04	25.80%	83.29	56.29%
18,000	55.16	69.54	26.07%	86.84	57.42%
19,000	57.10	72.04	26.16%	90.39	58.29%
20,000	59.04	74.54	26.25%	93.94	59.10%
25,000	68.74	87.04	26.62%	111.69	62.47%
30,000	78.44	99.54	26.90%	129.44	65.01%
35,000	88.14	112.04	27.12%	147.19	66.99%
40,000	97.84	124.54	27.29%	164.94	68.58%
45,000	107.54	137.04	27.43%	182.69	69.88%
50,000	117.24	149.54	27.55%	200.44	70.96%
75,000	165.74	212.04	27.94%	289.19	74.48%
100,000	214.24	274.54	28.15%	377.94	76.41%